



C.L. "BUTCH" OTTER
GOVERNOR

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2007-09

**RELATING TO THE STATE PROCUREMENT PROCESS AND INTERNATIONAL
OUTSOURCING**

WHEREAS, Idaho State departments and agencies procure millions of dollars worth of goods and services annually, by contract, through public and private vendors; and

WHEREAS, the citizens of Idaho are entitled to know how and where their tax dollars are being spent, including whether their taxes are being spent to utilize workers located in countries outside of the United States; and

WHEREAS, the citizens of Idaho are also entitled to know the economic effect of state contracts performed outside the United States; and

WHEREAS, international outsourcing can potentially decrease revenue and draw jobs away from Idahoans and Americans;

NOW, THEREFORE, I, C.L. "BUTCH" OTTER, Governor of the State of Idaho, by virtue of the power and authority vested in me under the Constitution and laws of Idaho do hereby order:

- 1. The Division of Purchasing in the Department of Administration shall develop policies and procedures to ensure that all vendors seeking to enter into a service contract with the State or a contract to develop, sell or lease software to the State of Idaho disclose:*
 - a. The location by country where services under or related to the contract will be performed; and*
 - b. The location by country where any subcontracted services under or related to the contract will be performed.*
- 2. In developing the policies and procedures directed under this Executive Order, the Division of Purchasing must consider the requirements of Idaho's competitive bidding and contracting laws, the best interest of the State of Idaho and its citizens, as well as applicable federal requirements.*
- 3. The Division of Purchasing shall not award a service contract to a vendor that fails to provide the information required above or adhere to policies and procedures established by the Division of Purchasing.*
- 4. The Division of Purchasing shall not award a contract to a vendor who submits a bid or proposal to perform services, or have a subcontractor perform services, at a site outside the United States, or for the development, sale or licensing of software for the State unless one of the following conditions is met:*
 - a. The vendor or its subcontractor provides a unique service or software; the particular service or software is deemed mandatory for the purpose of the purchasing agency or department; and no comparable domestically provided service or software can adequately match the unique features of that provided by the vendor or its subcontractor; or*
 - b. The vendor or its subcontractor is a foreign firm hired to market Idaho services or products to a foreign country; or*

- c. *The State, as determined by the Division of Purchasing and the using agency, if applicable, would incur a significant and substantial cost if it failed to use the vendor or subcontractor; or*
 - d. *The vendor or its subcontractor maintains a significant business presence in the United States and only performs a de minimus portion of work under the contract outside the United States.*
5. *If the contractor or subcontractor declares that services or work under the contract will be performed in the United States during the term of a contract and then proceeds to shift services or work outside of the United States, the contractor shall be in breach of the contract, unless the Division of Purchasing and the using agency first determine in writing that extraordinary circumstances require the shift or that a failure to shift would result in economic hardship to the State of Idaho.*
6. *For the purposes of this Executive Order, and only this Order, the term “State” or “State of Idaho” shall mean all state offices, departments, divisions, bureaus, boards, commissions, excluding the legislative and judicial branches of government and excluding the lieutenant governor, the secretary of state, the state controller, the state treasurer, the attorney general and the superintendent of public instruction.*



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho in Boise on this 31st day of August in the year of our Lord two thousand and seven, and of the Independence of the United States of America the two hundred thirty-second and of the Statehood of Idaho the one hundred eighteenth.

A handwritten signature in blue ink, reading "C.L. Butch Otter".

C.L. "BUTCH" OTTER
GOVERNOR

A handwritten signature in black ink, reading "Ben Ysursa".

BEN YSURSA
SECRETARY OF STATE